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**A N S W E R**  
T O  
**A L E T T E R**  
To a Gentleman in the COUNTRY,  
Giving an Account of the  
**Two Insurance-Offices ;**  
T H E  
**Fire-Office & Friendly-Society.**

I Have received yours of the 26th of January, being an Account of the *Two Insurance Offices*, the *Fire Office*, and the *Friendly Society*; and, according to your desire, return you this Answer.

Wherein to observe your Own Method, I shall consider,

1. *The Securities of each Office.*
2. *The Charge of Insuring.*

And in Comparing them one with another, the Arguments I use, shall arise from those you make in your Letter to me, and the *Insurers* of the *Fire Office*, have formerly made in their Papers directed to the City.

The *Insurers* of the *Fire Office* have, as you say, settled in Ground Rents to the value of Fifty thousand Pounds, (which admitted) tho I fear Rents of 2100 l. per Annum, a great part of them lying in *Marine Square*, *Wall-Street*, near *Ratcliff*, and other Places thereabouts, would hardly yield 24 years Purchase.

On this Security by their Deed of Settlement, they have Liberty to *Insure* 5000 Houses, which the *Insurers* themselves (in the said Printed Papers to the City) have valued at 400 l. a House one with another; which doth charge their Security of 50000 l. with no less than Two Millions of Pounds.

But you say when any Loss happens to the *Fire Office*, it is Paid out of the Bank of the Office, and the Land which is the Fund is never the Less.

This indeed were a great Argument, if the *Premiums* received by them were Paid into a Bank, and that Engaged for the Payment of their Loss; but there is no such thing, neither is any Personal Security given, but especial Care taken that nothing in their Settlement should Charge their Persons; so that they may Pay, or not Pay, as they please; which, tho no Default in Payment may be feared from those Gentlemen who are the present

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Insurers,

**Insurers**, yet in After-times 'tis not unlikely but it may so happen, when the whole Number is **Insured**, that they may find it their Interest not to Pay away their ready Money, but leave the Loss to be Paid out of the Rents.

But it can never be the Interest of the **Insurers** in the **Friendly Society** to stop Payment; because their **Office** becomes thereby Immediately dissolved, but whilst they continue to make good Payment, the several Persons in the **Society** are engaged to Pay it them again. Therefore there is no reason to fear a Default which must be so pernicious to them if they do not Pay and of so little hazard (as you say) if they do.

And tho from thence it be true that they are not so Personally concerned to be at the Charge to keep Men to put out the **Fire**, yet they are now setting them out, and did so Propose from the Beginning; which altho they may be Raw at the present, may soon become as well Disciplin'd as the others.

And whereas you say the *Fund* of the **Fire Office** is so large, *That Considering the Houses Insured, are dispers'd at several Distances, it is very Improbable (unless the whole City be Destroyed) that any Loss at one time should Exceed the Fund.*

Wherefore to put this on the Tryal, I will suppose that for the Future, as well as in the Three last Years (as you say) there will be *Seven thousand Pound* to be Paid out of these Rents, to answer the Loss by **Fire**, then at that rate, in 31 Years (for, for that time as many as pleased of the first *Three Thousand*, might have Secured their Houses; as by the Table of their first Printed Rates appear) there will be Paid **Seventy thousand Pounds**, which is **Twenty thousand Pounds** more than their whole Stock amounts to at 24 years Purchase.

But not to attend so long a Time as 31 years for the Event of this Tryal, suppose only that when the first *Seven thousand Pound* comes to be Paid by the Trustees; out of the said Rents, the rest of the *Five thousand Persons* whose Houses are **Insured** and not Burnt, should prefer their Bill in Chancery, and desire the Court that an **Injunction** may be Granted, that the Ground Rents may not be Sold right out; but that they whose Houses are Burnt, may be Satisfied out of the growing Rent, lest in some time they should be wholly left without Remedy, and some be Paid all, and others none at all; which, if the Court thinks fit to Grant, (as to me seems very Equal and Just) pray let us then see how the Case will stand, in the **Fire Office**, which will undoubtedly be thus,

The whole Ground Rents being but *2100 l. per Annum*, will not Answer the said *7000 l.* in less than Three years and a half, and then if *7000 l.* more be Burnt, whilst the first is receiving, the Owners of the Houses Burnt must stay (I cannot say how long) for the Second Payment. But the Third or Fourth Loss will scarcely be Paid (for ought that I can foresee) in this Generation.

The Security given by the Undertakers in the **Friendly Society**, and settled in the Hands of the Right Honorable the **Lord Mayor**, and others, as Trustees, amounts to the Value of *16000 l.* in Land of Inheritance, Rent Charge of Inheritance, and some few Houses; and they do likewise give their **Personal Security** for all the Money deposited in their Hands to be Repaid after the several Terms of **Insurance** Expire, which is **Five Parts of Six**, of the whole Money Paid down to the **Insurers**.

Now to prove that this Security is abundantly Sufficient to Answer any Loss may probably happen, I argue thus.

Since the Beginning of *September* last, which was the Time they first Opened their **Office**; Suppose there were but a Thousand Houses **Insured** in the **Friendly Society** (tho there are some Hundreds more) which at *Three hundred Pound a House* one with another, raises a Stock of *Four thousand Five hundred Pounds*; and if the Number encrease at that Proportion for Three years, the Stock will be *Twenty seven Thousand Pound*, to Answer the Loss of every single **Fire**; besides the *Sixteen thousand Pound* settled on the Trustees.

Whereas the Fund in the **Fire Office** will not Answer above *Five thousand Pound* for the Loss that shall happen in the whole **Three years**, which is most apparent by the former Calculation; Now if this be truly stated, (as I firmly believe it is,) I do not understand why you Assert so Positively, that their Security in the **Fire Office**, is better than that of the **Friendly Society**.

And now having done with the Validity of the Securities given in each **Office**, let us compare the Charge of **Insuring** one with the other, and to do which I shall (as I have already)

ready) make my Tryal from what hath been **Matter of Fact**, and allowed in their Papers, and not by Dark, Forreign, and Unreasonable Computations, things barely possible, but never (I hope in God) likely to happen.

First, to Insure *Three hundred Pound* on a Brick House in the **Fire Office** for Twenty one years, will Cost *Seven Pound Ten Shillings* in ready Money, the bare Interest of which comes to *Nine Shillings* per Annum.

And had you Insured *Three hundred Pound* on a Brick House in the **Friendly Society**, for Fifteen years next after the Great Fire, the whole Charge to the Los by Fire, and the yearly Payment to the Insurers would have Cost but *Six Shillings* per Annum, as by the following Computation (formerly inserted in their Printed Proposals) will most plainly appear. Suppose then the City and Liberties were Insured by the **Friendly Society**.

In *London* and the Liberties, in the said Fifteen years, there were Ninety seven Houses Burnt; (the several Numbers and Streets are mentioned in their Printed Papers to the City) but to avoid a Fraction in the Account, I suppose them a *Hundred*; which at *Three hundred Pound* a House, one with another, the whole Loss amounts in the Fifteen years to *Thirty thousand Pound*; and Divided into Fifteen Parts, makes *Two thousand Pound* Loss every year, to Answer which Loss, suppose that in *London* and the Liberties, there were but *Twenty thousand Houses* (but there are really *Twenty four Thousand*) and they all Secured at *Three hundred Pound* a House, then must the Insured Pay to Discharge the *Thirty thousand Pound* by *Two thousand Pound per Annum*, the Sum of *Two Shillings per Annum*, and no more.

From whence you may observe what unreasonable Calculations you have made, in supposing a Loss will exceed *Thirty Shillings* for a *Hundred Pound*, when in that Fifteen years, the real Losses did amount but to *Eight Pence per Annum* for a *Hundred Pound*, which I hope will ease you of the Fears you have, that many will leave the **Society** on that account.

But admitting the Loss of the said Fifteen years had amounted to *Seventy five Thousand Pound*, instead of *Thirty thousand Pound*, it had yet kept within the Interest of the Money Paid in the **Fire Office** (*viz.*) *Nine Shillings per Annum*; because if *Two Shillings per Annum* Paid for *Thirty Thousand Pound* Loss, then *Five Shillings per Annum* (which with the *Four Shillings* to the Office, makes *Nine Shillings per Annum* the Interest of the Money Paid to the **Fire Office**) will Pay for *Seventy five Thousand Pound* Loss.

And whereas you may Object that the **Friendly Society** Insure but for Seven years, and you for Twenty One, that makes no Difference in the Charge, because in the **Friendly Society** a House of *Three hundred Pound* may be Insured for the same Money (*viz.*) *Four Shillings per Annum* as long as you please; but in the **Fire Office**, when the Twenty One years are Expired, they must Pay *Seven Pound Ten Shillings* more, and then instead of *Four Shillings* a year Paid to the **Friendly Society**, the Interest of their Money will amount to *Eighteen Shillings per Annum*, and *Fifteen Pounds* besides out of Purse to the Insurers own Use.

By this time (I hope) you are Convinced, that the Fund in the **Fire Office** is neither Greater, nor the Insurance Cheaper, than in the **Friendly Society**, which hath been made plain to you, not barely by Guess and Imagination, but by **Matter of Fact**.

There rests only, that I should clear some Things unjustly laid to the Charge of the Insurers in the **Friendly Society**, (*viz.*) That the *Sixteen Thousand Pound* Security in Land, is not Security for the Losses, but only for the Insolvent. To which I answer, that (admit it were so) If the Solvent Pay for themselves, and the Insurers Pay for the Insolvent; pray where is the Loss, or what's the Inconveniency?

But I wonder in Reading the Settlements of the **Friendly Society**, you should overlook the most Material Articles in it; where it is carefully Provided, That if the Money Insured on any House Burnt, Blown up, or Demolished, be not Paid by the Insurers within Fifty days after the Rate is Set, the Trustees by Mortgage, or Sale of the Lands, or Rents, are Impowred to Pay the same.

And likewise (with some Complements to the present Insurers) you say they may (as sometime the Parish Assessors) Rate those that are Solvent, something the more, to Pay for those that are Insolvent: Whereas in another Article it is provided, That the Rate shall be made by such Persons as the Trustees (who are Members of the **Society**) shall appoint;



appoint; who will not (I suppose) over-tax themselves for the Advantage of the Insurers. The like mistake (I fear a wilful one) you make about losing the Money Deposited, and being Cashiered out of the Society; as if there were no more to be done in case they once omitted to Pay what became Due to the Insurers but present Cashiering them.

It likewise is affirmed by you, That the Profits of the Insurers in the Friendly Society, are greater than in the Fire Office. I cannot Imagine how you Compute it, For in the Paper directed to the City, they Estimate the Charge of Executing their Office at a Thousand Pound per Annum; and it is plain that Two thousand Houses Insured in the Friendly Society at Three hundred Pound a House, brings in to the Insurers but Four Hundred Pound per Annum, notwithstanding the Execution of their Office, must needs be more Chargeable than that of the Fire Office in getting in their Money.

And to make your Letter all of a piece, you affirm, That the older the Fire Office, the better; but the Friendly Society the worse, (whose contrary is true) for any one that can count his fingers, must know that if 300 l. is to be paid by the Society, it will be easier sure to have it paid by 1000 Persons than by 500; and every 100 l. Insured adds 30 s. to their Fund, which (if occasion requires) must be answered either by the Insured or the Insurers, which may satisfy all concerned, that besides the great charge of their Office, they have not their small Premium of 16d per Annum only for holding Stakes.

You argue also, That when a loss happens to the Friendly Society, it being paid out of the Premiums, lessens the Security, when any man hath paid 10 s. or 15 s. Which is another mistake, for the Security is the same after any payment, as it was before; but these things may serve to amuse some, tho not to convince any.

As for your Discoveries that a Thousand Hundred to One, makes One Hundred Thousand to One, and that Four times Eight makes Two and thirty, with a great deal more I cannot tell to what purpose, I thank you for it; but I know not at present what use to make of it, but will remember it if Occasion serve hereafter.

But in the next Calculation, you are very unmerciful in Seven years time to Burn a Fourth part of the Houses Insured by them, destroy their little Town, blow up their Office, and dissolve the Society.

But since it cannot be helpt, but so you will have it, let me turn the Tables, and see if a quarter of the Houses secured by the Fire Office, be Burnt in the same time (for I believe the Fire will not be Partial) whether Matters would be much mended.

The Fourth part of the Houses Insured in the Fire Office, are, as you confess, a Thousand; to Answer the Loss of which when Burnt, will require (by your own Estimate of Four hundred Pounds a House,) Four hundred Thousand Pound, which being taken out of Fifty Thousand Pounds (the Fund so magnified by you) what will remain to Answer the Losses of the Three thousand Houses by them Insured, and not Burnt.

Having now made it appear, (by arguments raised from your Letter, and their own Papers) That no less then Twenty hundred Thousand Pounds will be Charged on the Fund of the Fire Office, when their 5000 Houses are Insured, and that no payment can reasonably be expected from thence but out of the growing Rent, (there being no Bank settled to make other payment as is pretended,) And that the Charge of Insuring in the Friendly Society, had not (though the Loss had been more than Double in the 15 Years before mentioned) exceeded the Bare Interest of the Money given to the Fire Office. And that it cannot be the Interest of the Insurers in the Friendly Society to stop payment; but may be of the Fire Office. I may now with great Reason resolve to Insure my Houses with the Friendly Society; and the rather, because Sir Francis Pemberton, Sir William Dolben, and Mr. Trinder, who Drew and Perused their Settlement, beside a great Number of Eminent Lawyers and Persons of Honour and Quality, have already made themselves Members of the said Society.

Sir, I am your Humble Servant

D. S.